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VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Notice of *Ex Parte* Presentation
WC Docket No. 18-100: In re: July 1, 2018 Annual Access Charge Tariff Filings

Dear Ms. Dortch:

On October 10, South Dakota Network, LLC (“SDN”) met with Lisa Hone, Pam Arluk, Gregory Capobianco, Robin Cohn, Lynne Engledow, Victoria Goldberg, Vienna Jordan, Edward Krachmer, Al Lewis, and Gil Strobel of the Wireline Competition Bureau. Mark Shlanta and Nancy Johnson of SDN; Marlene Bennet of Consortia Consulting, Inc.; and Ben Dickens, Mary Sisak, and Sal Taillefer as counsel to SDN attended the meeting or participated via conference call on behalf of SDN. In the meeting, SDN discussed certain aspects of the Commission’s Order of October 1, 2018 suspending for one day revisions to SDN’s centralized equal access service rate.

In the meeting, SDN explained its use of NECA tariff rates to determine an equal access component of its benchmark rate. First, SDN noted that the Commission’s *Aureon Rate Order*¹ was a carrier-specific proceeding, that the Commission explicitly stated SDN’s provision of equal access is not relevant to Aureon, and that the Commission explicitly declined to address the equal access issues raised by SDN in that proceeding.² SDN elaborated upon the significant

¹ *In re Iowa Network Access Division Tariff F.C.C. No. 1*, Memorandum Opinion and Order, 2018 WL 3641034, at *5, ¶ 18 (2018).

² *Aureon Rate Order* at ¶42, fn. 97, and fn. 150. See also, Reply to Petition to Reject or Suspend and Investigate South Dakota Network, LLC’s Tariff, Tariff F.C.C. No. 1, Transmittal No. 13, filed September 28, 2018 at p. 5. (“Reply”)

differences between Aureon and SDN that would make application of the *Aureon Tariff Order* to SDN inappropriate, chief among those differences being the importance of equal access to customers of rural ILEC's in South Dakota. For example, approximately 75% of originating traffic on SDN's network is associated with non-affiliated IXC's that have been designated by end user customers as the equal access carrier.³ SDN also explained that the Commission's findings in its original 214 authorization demonstrate that its subtending ILECS, not CenturyLink, would be the entities to provide equal access if SDN did not provide it.⁴

SDN also discussed its understanding that the ILECs utilizing the SDN tandem charge the NECA local end office premium rate in accordance with the NECA tariff. SDN explained that it used difference between the premium and non-premium rate because it reflects the cost of equal access, and that benchmark rates are not required to reflect actual cost of providing services. In any event, SDN noted that it has tariffed its cost-based rate, which does reflect its actual cost of the services it provides.⁵ Finally, SDN noted that the Minnesota Independent Equal Access Corporation tariff uses separate originating and terminating tandem switch rates, and that the originating tandem switch rate appears to be higher than the CenturyLink benchmark rate.⁶ SDN also discussed whether it should determine a separate originating and terminating tandem switching rate.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS. If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,



Benjamin H. Dickens, Jr.
Counsel to
South Dakota Network, LLC

³ South Dakota Network, LLC Notice of Ex Parte Presentation, WC Docket Nos. 18-60 and 18-155, filed July 12, 2018 at p. 1. SDN's total traffic for 2017 was approximately 43% originating and 57% terminating, and its interstate traffic was 37% originating and 63% terminating.

⁴ *In re the Application of SDCEA, Inc.*, 5 FCC Rcd 6978, at ¶¶3, 7, and 24 (FCC 1990). *See also*, Reply at p. 5.

⁵ *See* Reply at p. 6-7.

⁶ Minnesota Independent Equal Access Corporation, Tariff F.C.C. No. 1, Transmittal No. 29, Description and Justification, filed September 17, 2018.

CC: Lisa Hone
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